

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	SB 157
Fiscal Note Number:	2
(S) Publish Date:	1/22/2020

Identifier: LL 0142-DNR-DOG 1-20-20
Title: LICENSING: TEMP., ELIG., BONDS, REPEALS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Natural Resources
Appropriation: Oil & Gas
Allocation: Oil & Gas
OMB Component Number: 439

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable. Initial version

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Approved By: Tom Stokes, Director
Agency: Division of Oil & Gas

Phone: (907)269-8434
Date: 01/20/2020 05:00 PM
Date: 01/20/20

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION**Analysis**

This bill streamlines professional licensing provisions, and increases the efficiency of the Department of Commerce, Community, and Economic Development, as well as multiple boards overseeing professional licensing. It eliminates outdated requirements, aligns requirements with federal law, and eliminates burdensome regulation.

The bill also repeals AS 43.70.025, to eliminate the requirement that an oil and gas exploration company must post a \$250,000 surety bond to guarantee payment of taxes and wages, until such time as the firm began producing oil or gas in commercial quantities. Repealing AS 43.70.028 eliminates the process by which a person may file suit against a bond required by AS 43.70.025.

The Division of Oil and Gas administers bonding for oil and gas leases under 11 AAC 83.160 (under the authority of AS 38.05.020 and AS 38.05.145). The proposed repeal of bonding statutes under Title 43 do not affect the Division of Oil & Gas.

As the Division of Oil and Gas has no responsibility for such bonding either under current law or the law as amended by this bill, the division submits a zero fiscal note. The bill's effects on the Division of Geological and Geophysical Surveys are addressed in a separate fiscal note.